

Everything You Need to Know About Accounts Payable

Accounts payable (AP) refers to what is owed for items purchased on credit. It is considered a short-term debt, or money that a business owes its suppliers. It appears as a liability and shows how much a company owes to its suppliers for products or services that it purchased and received on credit.

Accounts payable may also refer to a company department that is in charge of paying invoices. The AP department's main responsibility is to process and review transactions between the company and its suppliers, verifying invoices against purchase orders (POs), to ensure that goods and services were received before approving, processing, and issuing payment to their suppliers.



What is the process of accounts payable?

The procure-to-pay payable process



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accounts includes

invoice data capture, coding invoices, approving invoices received, 2 and 3-way purchase-order (PO) matching, and posting for payments.



AP versus AR: What is the difference between accounts payable and accounts receivable?

Both accounts payable (AP) and accounts receivable (AR) are important parts of the accounting process. While accounts payable is the amount of money owed to its suppliers, accounts receivable is the amount of money owed to a company from its customers. AP is considered a short-term liability, whereas AR is a current short-term asset.



How does AP Automation support businesses?

Many organizations use automation to streamline business processes within their accounts payable departments. While this process is straightforward, it can be cumbersome,

especially with organizations that process thousands of invoices per month. In addition, this issue can be compounded by paper invoice use, the loss of invoices, human error, and duplicate invoices. These problems are just some of the reasons that organizations face a high cost per invoice metric.

AP automation resolves many issues faced by manual accounts payable processing.

However, selecting a new AP solution seems daunting, then hiring a new employee may be a temporary solution. But does hiring someone optimize your existing processes?



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Taking the time to learn about different [Cloud Based Accounts Payable Automation Software Solutions](#) such as EZ Cloud may benefit your organization in both the short and long-term. Not only is our patent-pending solution cost-effective, but our team supports your AP department with a seamless integration with your current ERP system and offers support along the way. That way, your AP team can enjoy greater productivity with faster approvals and all while receiving greater satisfaction for both your employees and suppliers.